

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FEAE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-03 USIA-06

SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00 FRB-03 PA-01

PRS-01 OPIC-03 XMB-02 /098 W  
----- 070291

R 171220Z JUN 75

FM AMEMBASSY BEIRUT  
TO SECSTATE WASHDC 4831  
INFO AMEMBASSY AMMAN  
AMEMBASSY DAMASCUS  
AMEMBASSY JIDDA  
AMCONSUL DHAHRAN

C O N F I D E N T I A L BEIRUT 7646

C O R R E C T E D C O P Y (MRN 7646 VICE 7647)V

E.O. 11652: GDS

TAGS: ENRG, ELTN, JO, SA, LE, US

SUBJE: TAPLINE PROBLEM LEBANON

REF: DHAHRAN 790, JIDDA 4306, BEIRUT 7167

1. PRIOR RECEIPT JIDDA 4306, EMBOFF CHATTED BRIEFLY  
WITH DODGE, TAPLINE BEIRUT, ABOUT TAPLINE-GOL  
NEGOTIATIONS HERE WHICH STARTED JUNE 17.

2. DODGE SAID THESE NEGOTIATIONS CONCERN ONLY GOL  
BACK DEBT FOR CRUDE SEQUESTERED FROM TAPLINE FOR  
MEDRECO SINCE AUGUST 1, 1973. STARTING POINT IS  
SAUDI INSTRUCTION TO TAPLINE THAT NEGOTIATIONS BE  
BASED ON LOWER OF TAX-PAID COST OR MARKET PRICE AT  
SIDON OVER DEBT PERIOD. TAPLINE-GOL 1952 AGREEMENT  
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PROVIDES THAT CRUDE OBTAINED FROM TAPLINE BY GOL BE

PAID FOR AT POSTED PRICE LESS NINE CENTS PER BARREL,  
BUT POSTED PRICE PAYMENTS SEEM DEFINITELY EXCLUDED  
BY SAG. THIS REDUCES GOL DEBT AS OF JUNE 17 FROM  
ROUGHLY \$117 MILLION TO ROUGHLY \$78 MILLION (SEE  
BEIRUT A-88 APRIL 17). DODGE SAID ARAMCO/TAPLINE AND  
GOL TECHNICAL TEAM MET SEPARATELY WITH SAUDIS AND THERE  
ARE ALREADY "DIFFERENCES IN INTERPRETING" SAUDI VIEWS. HE  
DID NOT KNOW WHEN BEIRUT TALKS WOULD FINISH BUT AGREED  
BRIEF EMBASSY, PERHAPS WITH ARAMCO'S GRIGNON.

3. SEPARATELY, CALTEX BEIRUT DENIED PRESS REPORT THAT CURRENT  
BEIRUT NEGOTIATIONS INCLUDE RELATED MEDRECO DISPUTE  
(WHICH SPAWNED TAPLINE DISPUTE AND GOES BACK SEVERAL  
YEARS). CALTEX HAS OPERATED MEDRECO REFINERY ON FEE  
BASIS SINCE AUGUST 1, 1973.

4. GRATEFUL FOR REFTELS. AMONG MANY POINTS OF INTEREST  
REMAINING IS WHETHER ALL THIS MAY RESULT IN DECISION TO  
EXPAND LEBANON REFINERY CAPACITY, EITHER THROUGH EXPANDED  
MEDRECO OR SEPARATE FACILITY SUCH AS LONG-DISCUSSED  
SAUDI-GOL "THIRD REFINERY". THIS IS POTENTIAL  
COMMERCIAL OPPORTUNITY.  
GODLEY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, FOREIGN INVESTMENT, FOREIGN POLICY POSITION, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 JUN 1975  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Document Unique ID:** 00  
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**TAGS:** ENRG, ELTN, JO, SA, OPEC  
**To:** STATE  
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